

# Committee on Resources

## Full Committee

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### Witness Statement

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TESTIMONY OF  
*MICHAEL S. TEITELBAUM*  
before the  
Committee on Resources  
United States House of Representatives  
*Oversight hearing on the enforcement of federal laws and the use  
of federal funds in the Northern Mariana Islands*  
Committee Room 1324, Longworth HOB  
Washington, D.C., September 16, 1999

Mr. Chairman, Members of the Committee, Ladies and Gentlemen:

I am Michael S. Teitelbaum, a foundation executive at the Alfred P. Sloan Foundation in New York. By background I am a demographer, with a doctorate in this field from Oxford University. I first became interested in data and research on international migration while serving from 1979-81 as Staff Director of the House Select Committee on Population. For the past 15 years I have done considerable research and analysis of immigration and refugee policies in the United States and many other countries.

From 1991 through 1997, I served as a Commissioner and Vice Chair of the U.S. Commission on Immigration Reform, the Congressionally-appointed Commission widely known as the Jordan Commission after its late Chair, former Congresswoman Barbara Jordan. Its eight members were appointed by the House and Senate majority and minority leaderships, its Chair by the President. I was appointed by the Senate Republican Leader Mr. Dole, though I am a political independent. Prior to this, I also served as a Commissioner on the U.S. Commission for the Study of International Migration and Cooperative Economic Development (chaired by Ambassador Diego Asencio), which completed its report to the Congress and President in 1990.

It is a pleasure for me to appear before you today. I am doing so at your invitation, and entirely in my personal professional capacity, representing no person or entity other than myself.

In October 1997, I undertook a site visit to the Commonwealth of the Northern Marianas (CNMI) at the invitation of the Commission on Immigration Reform, of which I was a member. The Commission had been asked by the U.S. Department of Interior to undertake its own independent analysis of the immigration

situation in the CNMI. We agreed to do so only with the understanding that our assessment, and any recommendations that might result, would be wholly independent of the Department. We emphasized that our views might well be at variance with the opinions and positions that the Department had already expressed. The Department officials involved agreed to these ground rules, and to my knowledge did not make any attempt to influence our findings or recommendations. I was accompanied on this trip by a fellow Commissioner, Robert Charles Hill, and by the Commission's Staff Director Susan Martin and two other staff members, David Levy and Monica Heppel (the last two traveled to CNMI a few days in advance in order to make arrangements for meetings with CNMI officials and other meetings and visits.) This visit, along with other data collection and analysis efforts, was the basis of the November 1997 report Immigration and the CNMI, of which I believe you have copies.

At the time I agreed to undertake this trip, I had no prior opinions about the CNMI. In preparation, I did read a large compilation of articles and reports reflecting all perspectives. I deliberately included in my reading list both the criticisms emanating from the U.S. Department of Interior describing the CNMI policies as failures, and the arguments prepared by the CNMI and its Washington supporters that described its policies as a successful model of free enterprise. Though I was reluctant to undertake such a long trip, it was clear to me from this reading that it would be impossible to make any fair determinations of the facts without seeing the situation firsthand.

We learned a great deal during our 5-day site visit, a 1--day stop in Manila on the way home, and a 1-day side trip I took to nearby Guam. With one or two notable exceptions, we were treated with courtesy and professionalism by CNMI officials, private sector leaders, and Federal government officials. I should also report to you that in a few cases, CNMI officials took us aside to confide that the official CNMI government position was not really accurate, and the "true story is...." Moreover, on our very first day (a Sunday as I recall), before we had begun our scheduled meetings, I and some of my colleagues set off in a private car on our own, without announcement and unaccompanied by local officials, to inspect two of the garment industry "hostels" for workers from the People's Republic of China. In my view, any such site visit requires that one avoid being entirely controlled by one's hosts; this is really the only way to get a reasonably clear picture of a situation that is in passionate dispute and is otherwise quite distant from most of us in this hearing room.

Given the time limitation, I shall restrict myself to the following brief points:

1. The decisions taken by the CNMI government over the past decade--- essentially to use its exception from the Immigration and Nationality Act (INA) to import thousands of foreign garment workers on temporary contracts, as its principal strategy for economic development and tax generation--- are in my view unwise and quite unsustainable, both economically and politically. They are also contrary to core values of U.S. immigration policy.

2. The economy that has emerged in the CNMI over the past decade is one of the strangest in the world. To summarize:

- the CNMI is an entity with a small land mass and small indigenous population
- it decided to use its immigration exception and Customs preferences to build an economy based on the garment industry, one of the world's most labor-intensive and lowest-productivity industries
- as a result, the indigenous population of the CNMI is now outnumbered by foreign contract workers

- 9 out of 10 workers in the whole of the for-profit sector are foreign contract workers, and it is this for-profit sector that is the low-wage, low-benefit part of the economy
- most of the indigenous Chamorro workforce works for the local CNMI government, and this government sector is the high-wage, high-benefit sector of the economy.

The only economy in the world that is at all similar to that of the CNMI is Kuwait's -- but Kuwait is not part of the United States, has only limited provisions regarding democratic governance and individual rights, and has a core economy based upon its enormous oil reserves.

3. To be frank, the CNMI government is unable to manage the immigration policy that it has created. To be fair, this should be no surprise: no U.S. state or territory could effectively manage its own immigration policy, since none has the embassies and consulates around the world that it would need to pre-screen those applying for visas. Even the large state governments of New York and California could not do this; and neither can the much smaller CNMI government.

4. Foreign contract workers are easily exploited under the conditions of their contracts and CNMI law enforcement. Most are tied to a single employer, and most need to keep working to pay off the debts they owe to the labor recruiters who hired and transported them.

During our visit, we heard directly from numerous such workers alleging exploitation. We also saw for ourselves the disgraceful living conditions in one of the two garment industry hostels we visited independently; the living conditions in the second hostel was somewhat better than "disgraceful", though still rather bad. (Of course this is not a statistically representative sample.)

We also heard much about young female foreign contract workers employed as prostitutes. While of course it is very difficult to observe open prostitution, anyone taking a late evening walk in the entertainment district---literally right across the road from the principal hotel, the Hyatt--could not miss seeing the groups of scantily-dressed young women (who appeared to be Filipina and Chinese) beckoning to male tourists.

5. I had not realized before this trip that the CNMI immigration system, which falls under the sovereignty of the United States, is a diplomatic embarrassment to the United States. I know this to be true from first-person discussions we held in Manila, and it appears to be the case elsewhere in Asia (this on the basis of press reports and testimony we received).

The CNMI immigration system also fails to provide an avenue through which political asylum might be claimed---another embarrassment, and one that is in direct contravention of U.S. treaty obligations, obligations that the State Department energetically urges upon all other countries. In this regard, however, I did note recent press reports about the serious difficulties U.S. Government officials in neighboring Guam are facing in applying U.S. asylum procedures to the increasing numbers of Chinese from Fujian Province who are paying Chinese people-smugglers ("snakeheads") large sums to smuggle them into Guam in order to claim asylum. Given this experience, I would urge that you assure yourselves that U.S. asylum laws can be effectively enforced in Guam before they are applied to the CNMI.

The Commission report in late 1997 expressed reservations about immediate imposition of Federal immigration controls then being recommended by the Department of Interior. In part this was out of concern about the economic dependence on thousands of imported contract garment workers that the CNMI Government had allowed to develop. It was also based in part on indications we had received that the INS

would not be willing or able to commit the personnel resources that would be needed for Federal enforcement of Federal immigration law, coupled with doubts that the local government could be expected to enforce effectively a Federal law which it opposed. For these reasons, the report recommended that the CNMI and U.S. governments enter in negotiations to find mutually-agreed policies that would be consistent with U.S. immigration traditions but recognize the special labor needs of the CNMI, especially with respect to the tourism industry.

Nearly two years has now passed since this recommendation was issued. In the interim, the CNMI government has changed hands, and the current Governor has expressed more concerns about the CNMI's immigration system than did his predecessor. Some improvements seem to have been made in enforcement and protection of contract workers' rights. Yet (as I understand it) the present Governor himself initiated the contract worker program in the garment sector, while he was in office during the 1980s, and recent statements that I have seen by him continue to emphasize the importance of the garment industry for the CNMI economy and for the revenues to the CNMI government.

In my opinion, any immigration policy like this one--- promoting large-scale importation of low-skill temporary contract workers into a small tropical island, for the purpose of sewing shirts at low wages for export to the U.S. mainland---is not a viable option either in terms of sustainable economic development OR in terms of basic American principals and treaty obligations.

Our second reservation concerned the willingness of the Executive branch to commit the INS and other agency resources needed for effective enforcement of U.S. law in the CNMI. According to the hearing record before the Senate Committee on Energy and Natural Resources on March 31, 1998, the Executive branch has now committed itself to providing the necessary INS and other personnel that would be required to enforce the INA. I would respectfully urge the Committee to obtain written assurances on this key point, but if these are already in hand or forthcoming, this source of the Commission's caution would no longer be at issue.

Given the passage of time and the fact that the CNMI government apparently continues to be committed to immigration policies that are not consistent with U.S. immigration traditions, and given the lengthy transition periods in both the House and Senate bills designed to allow the CNMI economy to adapt, I believe the case for the recommendation of further negotiations on these issues is no longer a strong one.

7. There is one disagreement between the CNMI government and the Federal government that I hope you will be able to resolve.

CNMI government officials told us during our visit, and continue to assert publicly today, that the exception from the INA agreed during the 1976 Covenant negotiations was intended to allow large numbers of foreign temporary contract workers to be imported to the CNMI.

The Federal government, both the Executive branch and the relevant Congressional committee reports, says that the intention of the exemption was the very opposite: to protect the small island territory and its small indigenous population from being inundated with immigrants under the terms of INA, which does not differentiate between immigration to the U.S. mainland and to a small island territory on the fringes of Asia.

Obviously these are dramatically different interpretations of the very same negotiations and the same Covenant. I hope you will be able to resolve this matter to your own satisfaction.

Since you have asked me for my opinion, here is what I think about these two possible interpretations. If the CNMI view is correct, I think the U.S. negotiators made a serious error that needs to be corrected. If the U.S. government view is correct, then the INA exception has been used for purposes opposite to those for which it was intended, and it should be terminated.

During our Commission delegation meeting with then-Governor Froilan Tenorio, he told us that if the U.S. government continued to insist that Federal immigration law should apply to the CNMI, he would consider moving toward independence for the Northern Marianas. My own view is that as a U.S. territory, the CNMI should have such a right of self-determination as to future independence, and I understand that in the last Congress Congresswoman Mink introduced legislation to this effect. If the majority of the citizens of the CNMI, in an open and fair referendum, were to vote to reverse the terms of the Covenant and thereby to cancel their U.S. citizenship so that they could become an independent state, their wishes should be respected. Such a referendum, with appropriate monitoring provisions, could be incorporated into pending legislation, limited to a specified time period (e.g. 1 year from enactment). It would presumably give CNMI citizens voting in the referendum two clear options:

- application of the terms of U.S. immigration law, with appropriate provisions for transition;
- or, reversal of all provisions of the Covenant and establishment of full independence for the Northern Marianas, with acquisition of a new Northern Marianas citizenship by the indigenous people of the islands accompanied by cancellation of the U.S. citizenship that the Covenant accorded to them as a group during the 1980s.

I would be happy to answer any questions you may have.

Thank you for your invitation, and for your kind attention.

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